

member news



Update to Pension Benefits Standards Act changes of September 30, 2015—what you need to know

On September 30, 2015, the *Pension Benefits Standards Act* was modernized. In the Member News dated September 24, 2015, we shared some of the ways the new legislation would affect you. Since then, there have been some clarifications to how the changes affect you and your pension.

What are the clarifications?

Seniority/recall rights

If you are on a seniority/recall list for a year without contributing to the plan, you retain your seniority/recall rights and remain eligible for a plan benefit. While you don't have to end your employment, your employer will end your plan membership. We will then send you benefit options, which may include a commuted value, deferred pension or immediate pension. To contribute to the plan again in the future, you'll have to requalify for plan enrolment. For details, see the **Starting Out** section of the **Guide for Plan Members**.

Definition of locked-in retirement vehicle

If you choose a commuted value payment when your membership ends, you can now transfer the funds to a locked-in retirement vehicle. The terms "locked-in registered retirement savings plan" and "locked-in RRSP" will no longer be used. This change affects how your financial institution completes our form to process the transfer of funds. You do not need to take any action now; this will be one of your choices when your membership ends. Before you make any important decisions about transferring funds, it is wise to seek advice from a qualified legal and/or financial advisor.

Spousal waiver of beneficiary rights

If you choose a single life pension option with a guarantee period at retirement, your spouse may be able to waive their beneficiary rights within the guarantee period if:

- your spouse is the beneficiary of your single life pension option,
- the guarantee period has not ended, and
- you are still alive.

Why do this? Your spouse's financial situation may change after you have chosen them as your beneficiary. This would allow you to choose another beneficiary(ies) for the remainder of the guarantee period who may need the financial support when you die.

As with any significant change, it is wise for you and your spouse to seek advice from a qualified legal and/or financial advisor before making the decision to waive beneficiary rights and choose a new beneficiary.

If you decide to change beneficiaries, your spouse should complete the new Form 2 *Spouse's waiver of entitlements* and you should complete a *Change of beneficiary* form. These forms are available on the plan website mpp.pensionsbc.ca.

More information

It's important that you understand how your pension works. For details on any of these changes, visit the **Resources** and **Publications and Forms** sections on the plan website at mpp.pensionsbc.ca, or contact the plan directly.

Municipal Pension Plan

PO Box 9460
Victoria, BC V8W 9V8
MPP@pensionsbc.ca
Victoria: 250 953-3000
Toll-free: (Canada and U.S.)
1 800 668-6335
Fax: 250 953-0421